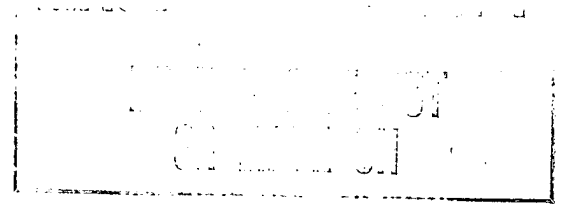


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SNIE 87.4-84

**SURINAME: BOUTERSE'S
LEFTWARD DRIFT**

Information available as of 21 November 1984 was used in the preparation of this Estimate, which was approved by the National Foreign Intelligence Board on that date.

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THIS ESTIMATE IS ISSUED BY THE DIRECTOR OF CENTRAL INTELLIGENCE.

THE NATIONAL FOREIGN INTELLIGENCE BOARD CONCURS.

The following intelligence organizations participated in the preparation of the Estimate:

The Central Intelligence Agency, the Defense Intelligence Agency, the National Security Agency, and the intelligence organizations of the Departments of State and the Treasury.

Also Participating:

The Assistant Chief of Staff for Intelligence, Department of the Army

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The Director of Intelligence, Headquarters, Marine Corps

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CONTENTS

	<i>Page</i>
SCOPE NOTE	v
KEY JUDGMENTS	1
DISCUSSION	5
The Current Government	5
Resurgence of the Radicals	6
Weakness of the Moderates	7
Economic Deterioration	8
Brazilian and Dutch Assistance	9
Nicaragua, Cuba, and the Soviet Union	9
Possible Threats to Bouterse	10
Outlook and Implications for US Interests	12

iii

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SCOPE NOTE

The possibility that Suriname, a small, sparsely populated country on the northeastern shoulder of South America, might fall into Havana's orbit has been a cause for concern since shortly after the military regime of Desire Bouterse came to power in 1980. The arrival of Cuban Ambassador Cardenas was followed in short order by an increased Cuban presence. The Cuban presence was abruptly terminated in late 1983, when diplomatic relations were downgraded in the wake of Grenada. The Soviets remained active in Suriname, however, and they may be working to facilitate a return of the Cubans.

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Recently, there have been indications that Bouterse would like to revive the formerly close relationship with Havana, again raising concerns the country might fall under Castro's influence. This Estimate examines the chances that Havana will renew its foothold in Suriname, as well as the prospects for a return to civilian democratic rule and economic stability over the next year or so. It also assesses the future of Brazilian and Dutch influence in Suriname as an alternative to an increased Soviet/Cuban role. Finally, it addresses the implications for the United States of various possible outcomes.

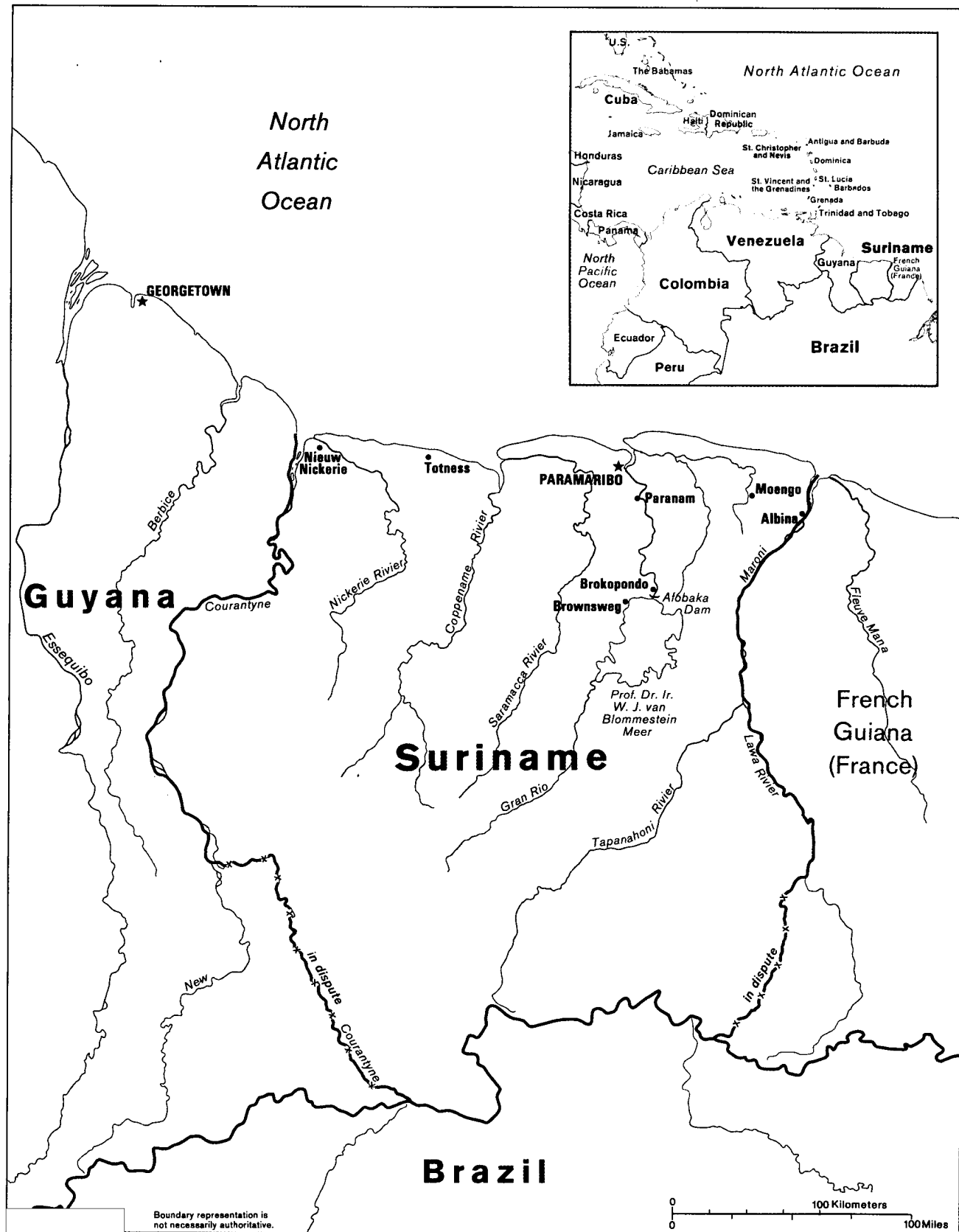
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KEY JUDGMENTS

Commander Bouterse appears to be solidly entrenched as the ruler of Suriname. His regime is not popular but has been passively accepted out of fear that overt opposition could provoke the military to a renewed round of violence. Increasing economic hardship and social unrest over the next three to six months, however, may lead to an open challenge to his regime. This challenge would probably originate with organized labor within Suriname, rather than the Netherlands-based exile groups, which enjoy little public support or credibility. ☐

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We believe Bouterse remains unwilling to relinquish any power by permitting significant movement back toward democracy. The moderates—business and labor leaders—no longer believe a truly democratic evolution is possible, but they are likely to continue to participate in the “social partnership” with the military in order to retain some influence with Bouterse, protect their economic interests, and offset the influence of Bouterse’s radical advisers. Few of the moderates appear bold enough to challenge Bouterse directly and risk a repetition of the December 1982 massacre of opposition leaders. ☐

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Radical leftist advisers such as Harvey Naarendorp and leaders of the Revolutionary People’s Party (RVP) are using their influence over Bouterse to undermine the private sector, neutralize prodemocratic initiatives, and establish an apparatus of control based on the Cuban model. The ultimate loyalty of these radical advisers is open to question, but they are willing to cooperate with Bouterse and take advantage of his leftist tendencies despite his erratic nature. In any event, they do not have sufficiently good relations with the military to be able to overthrow Bouterse within the next year or so. ☐

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Several of Bouterse’s key military aides are opposed to leftist politics and may also harbor ambitions to seize power for themselves. In addition, members of the rank and file increasingly have voiced their dissatisfaction to senior officers on a variety of issues. The military are unlikely to take strong action unless Bouterse appears to be losing control. We do not, however, have sufficient information to make a definitive judgment on the reliability of the military in extreme circumstances. ☐

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The “social partnership” among the military, labor, and business will probably survive beyond the current government of figurehead Prime Minister Udenhout as long as Bouterse does not attempt to impose too many radicals in key ministerial positions. Nevertheless, a

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somewhat less moderate cabinet government probably will replace the Udenhout team sometime early next year. It may well be given a mandate to establish some kind of pseudodemocratic institution, such as an "advisory assembly." It is unlikely, however, that Bouterse will allow either direct popular election of its members or party-based candidacies. []

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While Bouterse himself is not ideologically sophisticated, we believe he is emotionally committed to "the revolution." Even substantial Western economic support would be unlikely to alter his basic orientation. Moreover, leftist ideals and organizational techniques provide him with the means to perpetuate his position—which is his overriding goal—while appearing "progressive." The primary factors limiting Bouterse's ability to pursue his leftist domestic and international objectives are his fear of possible US intervention and his concern about a mass uprising. []

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[]
[] Brazil continues to keep its military assistance program alive, but the economic assistance program has been relatively unproductive. Because the Brazilian opening to Paramaribo was originally undertaken to provide an alternative to Cuban military and economic aid, any return of Cuban diplomats to Suriname would be regarded as a setback by Brasilia. Whether the Brazilians would respond by terminating assistance or taking measures to make it more effective is unclear, but either is more likely than direct Brazilian military intervention. []

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[]
We believe there is little or no prospect of a resumption of the Netherlands' massive aid program within the next year. []

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[]
Suriname is unlikely to reach an agreement with the IMF to alleviate its severe financial problems because of business, labor, and popular opposition to any significant tax increase. The government will probably attempt to cope with its economic crisis by reducing its developmental budget, improving collection of existing taxes, attempting to obtain loans from nontraditional sources, and making efforts to extract financial concessions from the foreign-owned bauxite industry. []

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The Soviet Union has increased its level of activity and influence in Suriname since Cuba's departure. []

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Bouterse would like to restore an amicable relationship with Cuba [redacted] Castro, for his part, probably is not anxious to resume relations with Suriname unless he can do so on his terms, despite possible urgings by the Soviets. [redacted]

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Although the Cubans appear to have accepted, in principle, the idea of a renewed presence, there probably are still disagreements about the level of diplomatic representation. Nevertheless, it is possible that a small, low-profile Cuban mission will be reestablished in Suriname within the next 12 months. [redacted]

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[redacted] While Bouterse wants to move Suriname down a revolutionary path, he does not want independent challenges to his own power base. Thus, he probably will not permit the presence of Cuban military advisers in Suriname. [redacted]

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A critical factor in developments over the next year will be the pace and direction of change that leftist radicals are able to achieve:

- One key indicator will be the extent to which Bouterse's own political organization, the 25 February Movement, is given a formal role to play. If the Movement becomes strong enough to play a major and direct role in government, the pace of political, social, and economic radicalization could quicken dramatically. Over the medium and long term, this trend would be likely to lead to pauperization of the economy, nationalization of the bauxite industry, regimentation of political and social life, and closer ties to Cuba, the Soviet Bloc, and the hardline wing of the Nonaligned Movement (NAM).
- If, on the other hand, organized labor is willing and able to challenge Bouterse more effectively than it has in the past, particularly through strikes in the vital bauxite industry, moderate forces may gain greater influence and limit the leftward drift. Bouterse may then calculate that his best course is to permit a sufficient democratic opening to attract a renewal of Dutch economic aid. While he may hope to buy off organized labor, he probably would still crack down hard if he sees his own rule in danger. [redacted]

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DISCUSSION

1. Suriname has experienced continued political turmoil since 25 February 1980, when a group of Army sergeants, led by present Commander in Chief Desire Bouterse, overthrew the elected civilian government less than five years after the Netherlands had granted independence to its former colony. Bouterse subsequently proscribed the traditional political parties and banned all opposition to his regime. In December 1982, Bouterse executed democratic opposition leaders, and the Dutch responded by terminating their generous aid program. Cuba's influence continued to grow despite efforts by Brazil to stem the tide. In April 1983, Brazil offered economic and military aid in exchange for a reduction in the Cuban role, while threatening to intervene if the offer were refused. Suriname's flirtation with Havana seemed at an end in October 1983, however, when, in the wake of Grenada, Bouterse sent home the Cuban Ambassador. Bouterse greatly admired Maurice Bishop and he feared that growing Cuban involvement with Surinamese radicals threatened his own position. Castro responded by closing his entire mission.

2. The closure of the Cuban Embassy was a setback to pro-Cuban radicals in Suriname. It was followed a few months later by the collapse of the Socialist government of Prime Minister Alibux, whose cabinet contained a number of radicals associated with the pro-Cuban Revolutionary People's Party (RVP). Alibux had ordered taxes increased in December 1983 in an effort to deal with the country's serious economic crisis, and workers in the vital bauxite industry responded by launching a prolonged and crippling strike. Bouterse demanded that the union leaders bring their rank and file into line, but the workers rebelled. Sporadic sympathy strikes broke out in other sectors, and leaflets circulating demands for a restoration of democracy began to appear.

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force only as a last resort to break the bauxite union. However, he feared that a new bloodbath might well provoke direct US intervention. Rather than take such a risk, he chose to compromise and widen his base of

support. He discharged the Alibux government, suspended the new taxes, and offered business and labor a voice in government in exchange for their support. To gain that support, he was forced to leave the radicals out of the new cabinet and agree to take steps to return to democracy.

The Current Government

4. Creation of a new "social partnership" in early 1984 among the military, labor, and business resolved the immediate political crisis. The workers returned to their jobs, and after several weeks of negotiations between the three parties an interim cabinet was installed. The new cabinet, led by current moderate Prime Minister Wim Udenhout, was publicly given two mandates: to make plans to solve the financial and economic crisis that had followed the suspension of Dutch aid, and to "propose" future democratic structures.

5. To satisfy the demands for progress toward democracy, Bouterse also appointed a "think tank" containing three Bouterse appointees, two labor representatives, and two business representatives. The three groups were tasked to come up with a proposed new democratic structure for Suriname. Labor has proposed the holding of elections by December 1986. Business has proposed that elections be held under a restructured party system in January 1985. The military, which has repeatedly said it will not accept any version of the old "corrupt" parliamentary democracy, favors some version of "participatory democracy" but has not spelled out what this means. Ultimately, of course, Bouterse will make the decision, and we do not believe he will grant any real powers to the new structure.

6. The cabinet itself is composed of five Bouterse appointees, two labor-appointed ministers, and two ministers from the business sector. Udenhout, a pleasant and erudite literature teacher with no independent political base, has attempted to move the new government toward closer relations with traditional Western friends. However, the Bouterse appointees—particularly Fong Poen (Trade) and Tjon Kie Sim (Energy)—

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have tended to dominate cabinet meetings and interfere in the operation of the ministries headed by representatives of the other "social partners." Finance Minister Chehin (one of the business representatives) has found that he is unable to subject the military to fiscal discipline, and has yet to get agreement on any budget to deal with the escalating fiscal emergency. ☐

7. The growing paralysis in government led Bouterse to create yet another high-level body in June 1984, the so-called Topberaad or supreme council. It was initially composed of Bouterse, Capt. Iwan Graan-oogst, and Lt. Paul Bhagwandas from the military authority, the leaders of the four major labor federations, and four business representatives. Its ostensible

purpose is to resolve divisions among cabinet members and give the cabinet "political guidance." In fact, it has functioned to exacerbate divisions between the moderates. Udenhout came close to resigning to protest its creation, because it undermined his cabinet's authority. However, the issue was resolved by appointing Udenhout himself to the body. ☐

Resurgence of the Radicals

8. A number of the RVP radicals who were forced out of the government in January have since found new homes in the ministries held by Fong Poen and Tjon Kie Sim. Lt. Badressein Sital, former Mobilization Minister and an ardent supporter of Cuba, re-

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turned from an extended leave in Havana and is now serving in the Ministry of Health. An RVP Labor Minister in the Alibux government was appointed a member of the Advisory Council charged with oversight of government operations. Alibux's Minister of Education (also RVP) has been named an "ambassador extraordinary and plenipotentiary" with responsibilities not specified [redacted]

9. Radicals now entrenched in the Ministry of Transport, Trade, and Industry have used their positions to obstruct Udenhout's plans to bring Suriname into the CBI (Caribbean Basin Initiative) and to propagandize Ministry employees. They are using their discretion over the granting of foreign exchange to penalize businessmen who harbor antimilitary or "antirevolutionary" views and to facilitate the importation of nonessential imports as favors to political or personal friends, and for their own profit. Radicals at the university, with the help of Bouterse's intervention, have crippled a new oversight committee set up by the moderate Education Minister to restore traditional academic standards and practices to higher education. Within the Foreign Ministry (under Udenhout) RVP supporters have continued to conduct a foreign policy that is distinctly "anti-imperialist" in rhetoric. [redacted]

10. In addition, Bouterse has given new momentum to the activities of an embryonic radical political party, the 25 February Movement. This Movement is apparently the brainchild of Harvey Naarendorp, who favors a pervasive ruling party on the Cuban model. The Movement is headed by an executive committee consisting of Bouterse (president), Lieutenant Bhagwandas (treasurer), and Capt. Etienne Boerenveen (secretary). Subordinate to the executive committee is a political advisory committee, whose membership includes Naarendorp as head of the propaganda department. [redacted]

11. Despite official disclaimers, the 25 February Movement is a creature of the government, which pays the salaries of its functionaries, puts government offices, vehicles, and infrastructure at its disposal for organizing rallies and demonstrations, and tolerates absenteeism from assigned duties if the time is spent working for the Movement. It holds itself up as the

final arbiter of the "revolution," and its written program—showing a marked preference for authoritarian, mass-based political and economic systems, as well as "participatory" democracy—verges on usurpation of governmental functions and objectives. [redacted]

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Weakness of the Moderates

14. While labor and business participants have worked vigorously to moderate the course of the regime, the results of their efforts so far have been marginal. Some of the private media organs that were shut down in December 1982 have been allowed to reopen, but they remain subject to heavy editorial interference. Few, if any, incentives have been offered, and the conditions under which local businessmen must operate have become even more restrictive. The moderates' domination of the ministries they received in January has been eroded by radicals within the ministries, bureaucratic subversion carried out by Bouterse's ministerial appointees, and the increasing pressure exerted by the 25 February Movement. [redacted]

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15. Nevertheless, labor and business appear to have concluded that some influence is better than none. Labor has apparently been successful in derailing an unwelcome tax increase, and businessmen at least have a legitimized channel for communicating their concerns to Bouterse. Moreover, as long as sectoral grievances can be privately aired, the moderates feel there is less likelihood of a recurrence of the dread events of December 1982. [redacted]

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16. Labor still has considerable clout with Bouterse, primarily because the commander fears that labor unrest could pose a serious threat to his regime. The

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wildcat bauxite strike a year ago demonstrated that the workers can challenge both the government and their own leaders. The most influential of the labor leaders is Fred Derby of the C-47 Union Federation, who was instrumental in working out the final compromises that ended the bauxite strike in January. Derby, who is highly ambitious but not personally popular, has taken increasingly combative positions in recent months in his effort to maintain the loyalty of his workers. The influence labor wields, however, is undermined by three other factors—the inability of the leaders of the rival federations to maintain a united front against Bouterse, the labor leaders' fear that Bouterse will hold them responsible if labor unrest becomes severe, and the imperfect hold the leaders have on their ill-disciplined rank and file.

Economic Deterioration

17. Under the combined impact of a deteriorating world market for bauxite, governmental paralysis, leftist economic meddling, the debilitating bauxite strike last year, and the continued suspension of Dutch aid, the Surinamese economy has been rapidly declining. Foreign exchange reserves declined from approximately \$175 million in December 1982 to about \$18 million recently. The government is beginning to sell gold to meet its financial obligations.

18. The government has been unable to borrow foreign funds from either governmental or commercial sources, and suppliers frequently must wait at least three weeks for letters of credit to be honored. Local bankers say that in the present conditions any future interruption of bauxite-related exports due to work stoppages would have catastrophic effects within two to three weeks on Suriname's ability to pay foreign creditors. (c)

19. Suriname has failed to meet payments on two major international loans so far this year. In May the government failed to make a \$1.13 million repayment of capital and interest to the Amsterdam office of the ABN Bank on a railroad project. At the end of June the government stopped payment of the first \$1.7 million installment to a Brazilian arms supplier. Moreover, the government has never repaid the \$17 million it borrowed from the Central Bank in early 1984. Several oil companies may demand advance payment against future deliveries.

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foreign suppliers have become much more cautious about exporting to Suriname. Offshore suppliers are compensating for anticipated

payment delays by increasing the asking price. Further evidence of decline is the steady increase in black-market financing of food imports from neighboring French Guiana. Tires, auto parts, potatoes, onions, cheese, and other imported food items are difficult to find. The magnitude of the possible impact of foreign supplier cutoffs can be gauged from the fact that Suriname's imports are equivalent to 45 percent of GDP.

21. The government also faces a serious problem with domestic expenditures. Finance Minister Chehin, in a report to the Topberaad in July, estimated that the government is facing a budget deficit for calendar year 1984.

22.

the government is also privately seeking large loans from several unusual foreign sources, which are very unlikely to materialize.

the government is also exploring the possibility of borrowing from unspecified drug traffickers.

23. Chehin's options in dealing with the deficit and balance-of-payments problems are tightly restricted by several factors. First, the military has refused to cut its own spending excesses, and Bouterse insists that the Army receive at least 10 percent of the budget. Second, government is the largest employer in Suriname, providing nearly 40 percent of all jobs, and the "social partners" are extremely reluctant to reduce the public payroll out of fear of generating a new wave of public unrest. Third, the same fear—combined with the determined and self-interested opposition of both labor and business—prevents the government from reaching agreement on any significant new tax increases.

24. The governmental partners have apparently agreed that the economic measures that the IMF would require before providing economic assistance are politically impossible. Influential businessmen and bankers consider devaluation pointless and unnecessary.

Thus, no agreement with the IMF is likely in the foreseeable future.

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25. In the meantime, the government's price control system has predictably resulted in a rash of commodity shortages, while the ban on laying off of workers without government consent threatens a number of firms with bankruptcy. Nevertheless, while capital flight continues at a steady pace, most of the private sector is attempting to adapt to the new conditions. Businessmen who are willing to make "contributions" to the 25 February Movement or assist military entrepreneurs to feather their nests find there is still plenty of money to be made, particularly on the black market. []

26. Scattered labor unrest and wildcat strikes are on the increase. Labor leadership has generally tried to convince fractious union locals that wage demands at this time could cause hard-pressed companies to fold, resulting in loss of jobs. While these efforts have so far been reasonably successful, both Bouterse and the labor leaders believe that unrest may get out of control if taxes are raised. []

27. The measures Chehin has proposed for reducing the government's deficit cannot bring it down to manageable proportions. If the government fails to find a new source of funds, it may well be forced within the next several months to print more money to meet the public payroll. This would further debase the currency and stimulate a rapid inflationary spiral that might be difficult to halt. []

Brazilian and Dutch Assistance

28. Brazil's effort to displace Cuban influence in Suriname by forging a strong relationship with the Bouterse regime met with initial success, but is proceeding more slowly than expected and has not progressed much beyond purely military cooperation.

29. Trade relations have been stagnant, primarily because of Suriname's foreign exchange problems. Extensive talks have taken place on a Surinamese purchase of Brazilian telecommunications equipment,

but no contracts have yet been signed. Other current negotiations, such as a proposed Brazilian purchase of alumina, involve countertrade rather than hard currency payment. []

30. Brazil will face a difficult decision if the Cubans return to Suriname. The Foreign Ministry in Brasilia views the Cuban departure as proof of the success of its current policy. Thus, any renewed Cuban presence—even a small one—may take on the appearance of a setback. While it is unlikely that Brazil would intervene militarily in Suriname. []

In our view, Brasilia's reaction to a renewal of Suriname's Cuban ties would be conditioned by the nature and extent of these new relations. []

31. []

s, the Suriname question has remained politically sensitive for the Dutch, because the various coalition partners in the Netherlands Government have strongly opposing views about whether any real dialogue with the Bouterse government is possible. []

32. In a July press conference, Bouterse disclosed that the talks were taking place. The Dutch Foreign Ministry, [] issued a cold statement reaffirming that "full normalization can occur only when concrete measures are taken on the Surinamese side in the area of the rule of law and a return to democracy. It has been made clear once again," the Dutch added, "that development cooperation cannot be resumed as long as these steps have not been taken." The Dutch then broke off the talks. []

Whether or not the leak was intentional, the net result of his disclosure, as well as his continued refusal to take steps to restore democracy, has been to postpone the return of Dutch aid indefinitely. []

Nicaragua, Cuba, and the Soviet Union

33. Under growing radical influence, Suriname's erratic foreign policy has once more begun shifting to

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the left. In July 1984, Bouterse made a high-visibility trip to the revolutionary anniversary celebrations in Managua. While there, he stated that Nicaragua and Suriname share a "common enemy" and commended the Nicaraguan Government for its "fierce fight against imperialism." Bouterse apparently found common ground with both Sandinista leader Daniel Ortega and Ghanaian leader Jerry Rawlings, who visited Bouterse in Suriname several days after the latter's return. [REDACTED]

34. The Nicaraguan trip was made over Brazil's protest. While Brazilian diplomats made light of the trip after the fact, calling it a fiasco, it may well indicate a weakening of Brazil's influence. Nevertheless, Bouterse was determined to make the trip to reestablish his revolutionary credentials. [REDACTED]

35. No public mention was made of any talks in Nicaragua between Bouterse and the Cuban delegation. However, there have been reports that the two countries have been discussing a normalization of relations, perhaps as a result of Soviet urgings. [REDACTED]

[REDACTED] Havana, despite the humiliation of its October 1983 departure, is in principle prepared to return to Paramaribo but wants to do so on its own terms. There reportedly is still disagreement, for example, about the size and level of the new Cuban mission, with Bouterse apparently insisting that it be low-level and small. It remains to be seen what Cuba will be willing to offer Suriname in terms of much-needed economic assistance, and what Bouterse will be willing to provide in return. [REDACTED]

36. Meanwhile, relations with the Soviet Union have been warming gradually. Soviet efforts to cultivate organized labor began shortly after the end of the bauxite workers' strike, when representatives of three of the four major labor federations attended May Day celebrations in Moscow. [REDACTED]

37. Soviet technicians arrived in April 1984 to install donated TASS equipment, and the Suriname news agency receives six hours a day of TASS service free of charge. The TASS items are used extensively both by government media and the privately owned media, which are pressured to run them. [REDACTED]

[REDACTED]

38. The Soviets are currently expanding their compound. When the expansion is complete, the Soviets may be able to increase their staff from the current 10 members to about 20. However, even after such an expansion, the Soviet mission would still be considerably smaller than the Brazilian Embassy. [REDACTED]

39. While most of the Soviet efforts have been low-key, Bubnov is reportedly becoming involved with the RVP, [REDACTED]

40. Nevertheless, the Soviets have not stepped forth with substantial economic aid or trade offers. While there has been some increase in Soviet commercial activity, trade prospects are limited by Suriname's critical shortage of foreign exchange. [REDACTED]

41. Suriname is considering upgrading its relations with North Korea and Libya. In October 1984 the government disclosed that it plans to accept a nonresident ambassador from North Korea. This establishment of formal relations may facilitate arms transfers contemplated in an agreement negotiated with P'yongyang in 1982. Moreover, a Libyan delegation visited Suriname later that month, and discussions were held regarding the opening of a "people's bureau"—the Libyan equivalent of an embassy—in Paramaribo. [REDACTED]

Possible Threats to Bouterse

42. While neither the domestic radicals nor the moderates currently pose a real threat to Bouterse, escalating economic problems may worsen the recent round of wildcat strikes and lead to antigovernment demonstrations. In the vital bauxite industry, a crisis is probably inevitable if the government tries to reimpose the tax increases that triggered the December 1983 strike. If unrest reaches a critical level, Bouterse's survival would depend on the loyalty of the military and other security forces. [REDACTED]

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44. Military pay has been raised substantially by Bouterse, and this has probably had a perceptible effect on morale. He has also bought the continued loyalty of key military aides with expensive presents and opportunities for graft and corruption. And the surviving active members of the original perpetrators of the 1980 coup—the so-called “Group of 16”—are tied to Bouterse by the fear that, if he were ever overthrown, they would be brought to justice for their various excesses. [REDACTED]

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45. Even so, enlisted men still have painful memories of the dark days after December 1982, when civilians abused and derided them on the streets, and many probably would passively refuse to participate in any violent suppression of a civil insurrection. If popular unrest appeared to be getting out of control, it is conceivable that certain members of the military would attempt to overthrow Bouterse and seize power for themselves. In the event of such a coup attempt, most enlisted men would probably support whichever side appeared likely to prevail. [REDACTED]

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46. Another longer term threat to the regime is the radical left, including the RVP extremists who until last October were working closely with the [REDACTED]

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[REDACTED] Most of these intellectual leftists are despised by the military, and would pose a danger only if they were receiving advice and support from some other quarter, such as the Soviet or Cuban Embassy. It can be assumed that if the Cubans reopen an embassy in Paramaribo, the risks of this happening would be increased. Bouterse is, therefore, likely to keep any future Cuban presence to a minimum and maintain close surveillance of its members. [REDACTED]

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47. A third but relatively minor threat to the regime is posed by the activities of the Netherlands-based exiles who have grouped themselves under Henk Chin A Sen's Council for the Liberation of Suriname (CLS). This group, which apparently organized a small, abortive “mercenary invasion” from neighboring French Guiana last April, has little credibility with Surinamers and no visible in-country network of support. Chin A Sen would not be welcomed

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by most Surinamers, in part because he served as Bouterse's first Prime Minister. [REDACTED]

Outlook and Implications for US Interests

48. The impact of many coming developments in Suriname on US interests will depend on whether the existing "social partnership"—or some comparable coalition that includes a moderate element—survives after the end of this year, when Udenhout's mandate is scheduled to expire. The most probable alternative to the present arrangement is a less moderate cabinet, including such elements as RVP officials and members of the 25 February Movement. [REDACTED]

49. Even if the partnership continues, Bouterse will continue to wield preeminent power. We do not believe he will concede real authority to any of the pseudodemocratic structures he may create in response to pressures from the moderates. The radicals probably will continue to consolidate their penetration of the bureaucracy, the university, and the media. The authority of cabinet moderates is likely to be increasingly eroded by pressure from the 25 February Movement. [REDACTED]

50. As long as moderate leadership elements accept the current "social partnership" with its opportunity for limited policy influence, Bouterse is unlikely to take violent action to eliminate or suppress them. However, any serious public challenge to the legitimacy of the military regime would risk violent repression. [REDACTED]

51. The economic crisis is likely to put increasing strains on the "social partnership," particularly if bauxite production continues to decline substantially over the next year. Labor and business interests probably will collide on potential wage and tax issues. In addition, while Bouterse will put pressure on labor leaders to keep their rank-and-file workers in line, the latter will become increasingly difficult to appease as their purchasing power declines. Any attempts to deal with the crisis by wholesale layoffs in the public sector will be particularly contentious. Moreover, the US- and Dutch-owned bauxite companies may pull out of Suriname altogether if another major strike takes place. [REDACTED]

52. As long as the relative political status quo prevails, it is unlikely that any elements of the military

will attempt to overthrow Bouterse. If economic unrest reaches the point of massive civil insurrection, however, Bouterse might not be able to count on solid military support. [REDACTED]

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53. In the event that labor and business withdraw from the government, the field would be open for a more dramatic shift to the left. Bouterse would probably attempt to disguise the radical coloration of the new government by appointing relatively apolitical nonentities to ministerial positions, but direction and guidance would tend to come from his radical advisers. The radicals, if unhindered by opposing influences, would impose increasingly onerous restrictions on the private sector, forcing many firms into bankruptcy and exacerbating unemployment. Some of the RVP activists who participated in the Alibux government may continue to advocate nationalization of the banking and insurance sector, and perhaps even the bauxite-aluminum sector. [REDACTED]

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54. Nevertheless, while the US-dominated aluminum industry may be subjected to verbal ideological attacks, we do not anticipate any attempts at expropriation or nationalization in the near term. The local Alcoa subsidiary enjoys a good working relationship with the government, in large part because of the perception that any punitive moves against the company would be economically counterproductive and might provoke US intervention. We can expect, however, that the government will try to extract the maximum amount of foreign exchange. [REDACTED]

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55. We believe Surinamese foreign policy will continue to vacillate, but radicals are likely to play an increasing role in policy formulation. Suriname probably will increasingly identify itself with the Non-aligned Movement, and its rhetoric will remain solidly anti-imperialist. Cuba may return to establish a relatively small mission, but without military advisers. Cuba or the Soviet Union might also be willing to provide a modest amount of economic assistance, and North Korea may provide some military assistance. However, Bouterse would be reluctant to accept large numbers of foreign experts and advisers—particularly Cubans—because of his security concerns. [REDACTED]

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56. On the other hand, we believe that Bouterse may decide to allow some democratic opening in the hopes of appeasing both Surinamese labor and The Hague. One of his primary concerns is the high potential for labor unrest. In our judgment, Bouterse

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probably will try to avoid a confrontation with labor, fearing that it ultimately might escalate into a serious threat to his power and possibly bring US intervention. Any moves toward liberalization, however, would be

largely cosmetic and would proceed slowly and cautiously. At the same time, if such moves were unsuccessful or backfired, Bouterse would then revert to a hardline position.

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